

Remarks for Washington Post Energy Forum 11-8-07
Time for the Big Bang Theory in Energy Policy
By Sen. Lisa Murkowski

- Given the complexity of the issues, five minutes is remarkably little time to outline an energy policy, but I will pretend like I am running for President...
- My main point is that we no longer have time to contemplate an energy policy – we have to adopt a truly balanced energy policy NOW.
- With oil prices above \$90 a barrel and likely to soar, our economy can't afford business as usual. While we have improved energy efficiency, the prices we soon will face will absorb our disposable income, hike inflation, worsen our balance of payments deficit, propel the weakening of the dollar and sap our economic vitality, not counting harming national security.
- There is agreement that first, we have to get serious about energy conservation. We need to improve building efficiency, lessen appliance energy use, and modernize light bulbs. These will initially cost Americans more, but the payback periods are short, so

maybe they will thank us – perhaps even *inside* the length of our terms in office.

- We all know we need to increase the fuel efficiency of our transportation fleet. The 40% increase over a decade proposed by the Senate in CAFE is about right, the devil being in how we deal with light trucks to protect our auto workers and the ability of Americans to buy the vehicles they need for work and leisure.
- Secondly, we need to promote alternative energy development. We can't do too much to fund research, demonstrations of technology and provide grants and tax incentives to actually install wind, solar and new biomass projects – the currently favored children of the alternative movement. We also have to help the less currently favored of renewables: geothermal, ocean AND hydroelectric development. They offer great promise in many, many places.
- We also have to increase spending for research for technological solutions. We have to prove whether geologic sequestration – capturing carbon through gasification of coal and then storing it underground – really can work. America is the Saudi Arabia of coal, we have to try to utilize our great national advantage.

- We have to push greenhouse-gas-free nuclear power and stop shunning it. That really means we have to solve the waste problem; get on with construction of an underground nuclear repository; but more importantly, decide whether we are going to perfect a waste reprocessing technology that truly works.
- And thirdly, we must stop sticking our heads in the sand and pretend that we can meet our energy needs for the next thirty years by beating up on conventional fossil fuels. ...We can't.
- We all hear that we are running out of oil. ...We're not. Conservatively we have 39.5 billion barrels of oil – double our current producible reserves – and 244 trillion cubic feet of gas in areas restricted from development. Tapping that doesn't mean we allow gas wells in Yellowstone or oil derricks off Miami Beach.
- It does mean we produce oil from a few thousand acres of the Arctic coastal plain and from parts of the National Petroleum Reserve in my home state. ...That we get on with building a pipeline to bring Alaska gas to the Lower 48 States, making it the national priority that it should be. ...That we allow OCS development in more places – where it can be done without scaring off whales or tourists. And it means *always* requiring use of the

new environmentally sensitive technology we have already developed.

- We need a “Big Bang” policy for energy. We need to rapidly expand efficiency, exponentially hike alternative energy, AND explosively increase the speed of domestic production of fossil fuels, so they can serve as a bridge until new technology realistically comes on line.
- We need all three legs of the energy policy stool if we are going to slow the global energy price spiral.
- There are three tough issues facing us.
- One is cost; how do we change national spending priorities to free up enough money to adequately fund the huge investment we need to meet our energy research and infrastructure goals. We are talking about a staggering amount – not all of which can come directly from higher pass through costs to consumers, unless we want to make American industry uncompetitive and hurt our poor and elderly. We will need to change taxing and spending priorities and that is NEVER easy.

- Second, we have to deal with NIMBY. Americans increasingly don't want any type of energy development in *their* backyards. Wind mills are fine, just not where *I* can see them. We know we need more oil, but it can't come from *my* favorite places. We support alternative energy, but just don't build new transmission lines through *my* neighborhood. If we aren't going to produce more natural gas domestically then we'll have to import LNG from overseas, but just don't build the regasification terminals near *my* coastal home.
- Americans soon won't be able to turn *on* light switches unless we turn *off* NIMBYism. We need to realize we are *all* in this together!
- Third, we have to deal with carbon emissions and wrestle with that 1,000 pound climate gorilla sitting in the corner. But in 5 minutes that's for another forum.
- My final point is that there is a lot of work for Congress. We have to find a way to pay for alternative energy, craft liability systems to handle geologic sequestration of carbon, implement a solution for nuclear waste, find the water that will be needed for new fuels from hopefully *cellulosic* -- not much more corn-based -- ethanol

to perhaps coal-based aviation fuels, and referee a thousand and one valid equity, environmental and funding fights. And we actually have to accomplish *something*; getting past filibusters that could delay action until we all grow old.

- But the *real* work is convincing the American people that times have changed. That energy is no longer neither cheap nor plentiful and that we will have to embrace societal change from using LED Christmas lights to purchasing the dreaded compact fluorescent light bulb in order for us to have a secure energy future.
- That's the real problem we face and ALL of us, Republicans and Democrats, had better put partisanship and focus-group tested slogans and preconceived notions behind us and provide some real leadership if there is going to be any chance for success any time soon. Thanks.